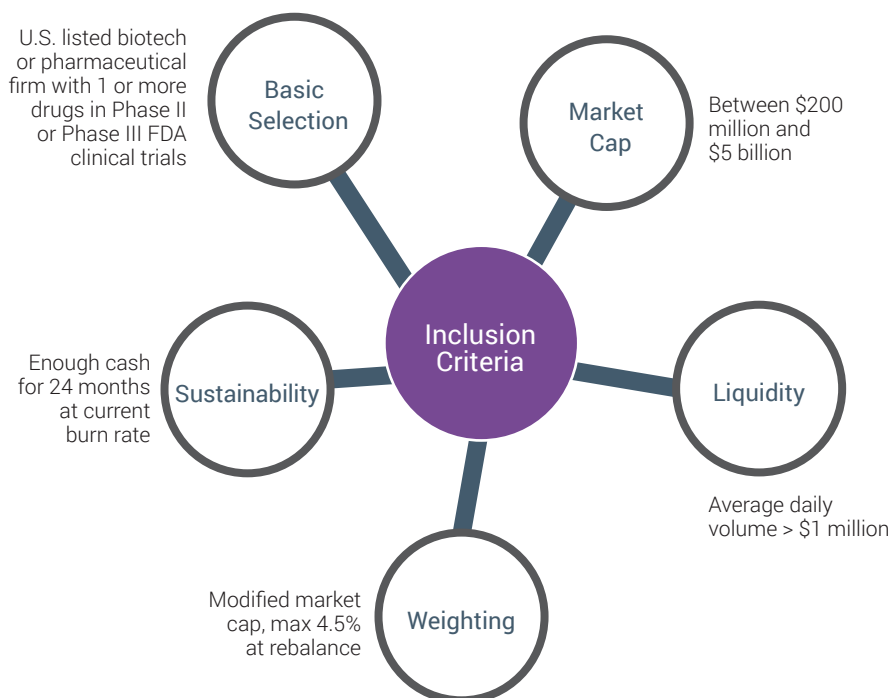


## Fund Overview

ALPS Medical Breakthroughs ETF invests in the public equity markets of the United States. It invests in the stocks of companies operating in the biotechnology and pharmaceutical sectors. The fund invests in stocks of mid cap and small cap companies with a market capitalization of no less than \$200 million and no more than \$5 billion. It seeks to replicate the performance of the Poliwogg Medical Breakthroughs Index, by investing in the stocks of companies as per their weightings in the index.



## ETF Stats

Ticker:	SBIO
Underlying Index:	Poliwogg Medical Breakthroughs Index (PMBI)
Listing Exchange:	NYSE Arca
CUSIP:	00162Q 593
Fund Inception:	12/31/14
Dividends Paid:	Annually
Gross Expense Ratio:	<b>0.50%</b>

## Investment Objective

The Fund seeks investment results that correspond (before fees and expenses) generally to the performance of its underlying index, the Poliwogg Medical Breakthroughs Index (ticker symbol PMBI) (the "Underlying Index").

## Potential Advantages

### Focus on Innovation

PMBI is tilted to small and mid-cap firms, which is often where the innovation occurs and where a larger portion of investors' dollars are spent on Research & Development. By contrast, large cap Biotech firms, such as the more established companies in the NASDAQ Biotech Index, typically spend more on marketing and distribution and less on innovation.

### Efficient Access to Clinical Trials

The PMBI Index provides investors with exposure to clinical trials for considerably cheaper than other competing biotech indices. For example, firms in the PMBI have paid, on average, 68% less per clinical trial than those in the NASDAQ Biotechnology Index. Promising results from clinical trials can lead to acquisition by one of the large established players in the biotech or traditional pharmaceuticals industries.\*

### Single-Stock Alternative

Biotechnology is a particularly difficult and challenging industry for stock pickers, making a diversified, index-based investment a viable alternative for investors seeking access to the space.

\* Source: BioPharm Insight and Alta Vista Research as of 12/31/2017.

# ALPS MEDICAL BREAKTHROUGHS ETF

# SBIO

December 31, 2018

## Performance as of 12/31/18

Total Returns	1 Mo.	3 Mo.	6 Mo.	YTD	1 Yr.	3 Yr.	S.I. <sup>1</sup>
ALPS Medical Breakthroughs ETF (Net Asset Value)	-13.55%	-26.19%	-21.90%	-11.20%	-11.20%	-2.36%	4.64%
ALPS Medical Breakthroughs ETF (Market Price) <sup>2</sup>	-14.07%	-26.59%	-22.09%	-11.81%	-11.81%	-2.52%	4.49%
Poliwogg Medical Breakthroughs Total Return Index	-13.41%	-26.05%	-21.90%	-11.04%	-11.04%	-2.08%	5.00%
NASDAQ Biotechnology Total Return Index	-11.18%	-20.54%	-11.64%	-8.86%	-8.86%	-4.47%	-0.70%

**Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.866.675.2639 or visit [www.alpfunds.com](http://www.alpfunds.com) for current month end performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.**

<sup>1</sup> Fund inception date of 12/31/14. Total Return for a period of less than one year is not annualized.

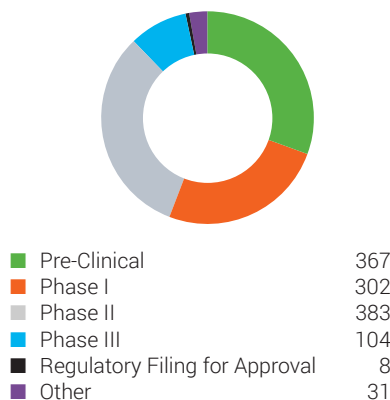
<sup>2</sup> Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

## Sector Breakdown



Source: BioPharm Insight as of 12/31/18.

## PMBI Drug Development Pipeline



## Index Top 10 Holdings<sup>A</sup>

FibroGen Inc	5.52%
United Therapeutics Corp	4.86%
Loxo Oncology Inc	4.86%
Array Biopharma Inc	4.27%
Emergent BioSolutions Inc	4.24%
Galapagos NV-Spon ADR	4.24%
Ligand Pharmaceuticals	4.05%
Agios Pharmaceuticals Inc	3.77%
Ascendis Pharma A/S - ADR	3.70%
Immunomedics Inc	3.67%

<sup>A</sup> Holdings are as of 12/31/18 and are subject to change.

## Index Details

Number of constituents	69
Company Size (\$ Millions)	
Average	\$2,205
Median	\$551
Largest	\$5,024
Smallest	\$152
Weight of Top 10	43.18%
Large cap (>\$10bn)	0.0%
Mid cap (\$2-10bn)	52.18%
Small cap (<\$2bn)	47.82%

Source: Bloomberg as of 12/31/18.

## Important Disclosures & Definitions

**An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus which contain this and other information call 844.234.5852 or visit [www.alpfunds.com](http://www.alpfunds.com). Read the prospectus carefully before investing.**

**Shares of Exchange Traded Funds (ETFs) are not individually redeemable and owners of the shares may acquire those shares from the ETF and tender those shares for redemption to the ETF in Creation Units only, see the ETF prospectus for additional information regarding Creation Units. Investors may purchase or sell ETF shares throughout the day through any brokerage account, which will result in typical brokerage commissions.**

**Poliwogg Medical Breakthroughs Total Return Index** is designed to capture research and development opportunities in the pharmaceutical industry. PMBI consists of small-cap and mid-cap pharmaceutical and biotechnology stocks listed on U.S. stock exchanges that have one or more drugs in either Phase II or Phase III U.S. FDA clinical trials.

**NASDAQ Biotechnology Total Return Index** is a modified market capitalization-weighted index designed to measure the performance of the all NASDAQ stocks in the biotechnology sector.

The indexes are reported on a total return basis, which assumes reinvestment of any dividends and distributions realized during a given time period. The indexes are not actively managed and do not reflect any deductions for fees, expenses or taxes. One cannot invest directly in an index. Index performance does not reflect fund performance.

This fund may not be suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered nondiversified and as a result may experience great volatility than a diversified fund. The Fund's investments are concentrated in the pharmaceuticals and biotechnology industries, and underperformance in these areas will result in underperformance in the Fund. Investments in small and micro capitalization companies are more volatile than companies with larger market capitalizations.

Companies in the pharmaceuticals and biotechnology industry may be subject to extensive litigation based on product liability and similar claims. Legislation introduced or considered by certain governments on such industries or on the healthcare sector cannot be predicted.

Companies in the pharmaceuticals industry are subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. The profitability of some companies in the pharmaceuticals industry may be dependent on a relatively limited number of products. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the pharmaceuticals industry are subject to government approvals, regulation and reimbursement rates. The process of obtaining government approvals may be long and costly. Many companies in the pharmaceuticals industry are heavily dependent on patents and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

The development of new drugs generally has a high failure rate, and such failures may negatively impact the stock price of the company developing the failed drug. Biotechnology companies may have persistent losses during a new product's transition from development to production. In order to fund operations, biotechnology companies may require financing from the capital markets, which may not always be available on satisfactory terms or at all.

**Biologics:** any substance, as a serum or vaccine, derived from animal products or other biological sources and used to treat or prevent disease.

**Biosimilars:** biologic medical products whose active drug substance is made by a living organism or derived from a living organism by means of recombinant DNA or controlled gene expression methods.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Medical Breakthroughs ETF.

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